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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION

-and-

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors

Case No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

- ☐ Affects PG& E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

**All papers shall be filed in the Lead Case,
No. 19-30088 (DM)*

**DECLARATION OF BRENT C.
WILLIAMS IN SUPPORT OF
OFFICIAL COMMITTEE OF TORT
CLAIMANTS' LIMITED JOINDER,
OBJECTION AND COUNTER MOTION
TO DEBTORS' WILDFIRE
ASSISTANCE PROGRAM MOTION
(DKT. NO. 1777)**

Date: May 22, 2019

Time: 9:30 a.m. (Pacific Time)

Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

6 2. I am making this declaration in support of the Official Committee of Tort Claimants’
7 Limited Joinder, Objection and Counter Motion (“**Joinder**”) to the Debtors’ Wildfire Assistance
8 Program Motion (Dkt. No. 1777) (“**Motion**”). Capitalized terms used but not defined herein shall
9 have the same meaning ascribed to them in the Motion.

3. The victims who lost their homes in the 2017 and 2018 wildfires that are still in need of assistance include homeowners and renters that are either: a) uninsured or b) those that are insured but have either exhausted their insurance based on time or value, or have insufficient insurance to cover what is known as “**Alternative Living Expenses**” or other urgent needs (the “underinsured”).

15 4. I believe the \$100 million of proposed funding (\$105 million, net of \$5 million
16 administrative costs) is inconsistent with historical practice and insufficient to even make a nominal
17 distribution to the victims of the 2017 and 2018 wildfires. For example, assuming 15,000
18 households asserted valid claims for this fund, that would imply only \$6,667 would be provided to
19 those families assuming they all received equal distributions. By way of reference, and pursuant to
20 the 2015 Butte Fire, PG&E offered up to \$50,000 to homeowners and up to \$10,000 to renters
21 (“**2015 Butte Fire Program**”). Redacted

25 || 5. Redacted

Redacted

¹ “TCC Information Request: Wildfire Assistance Program Motion; Responses to Request Dated 5.6.19.”

Redacted

6. In their Motion, the Debtors do not mention whether they believe that the \$105 million is adequate to provide “some relief” to the victims. Motion at 4:18. In their Motion, the Debtors have not quantified nor estimated the number of households or individuals that may be covered by the Wildfire Assistance Program. As evidenced by their Motion, it seems they have disclaimed all responsibility to the Administrator, including determination of Eligibility Criteria, and, to my knowledge, did not complete meaningful analysis or calculations to support the Motion.

7. In order to properly structure the Wildfire Assistance Program and assess whether the funding will provide “some relief,” it is imperative that this data (at least, on a preliminary basis) be assessed and/or quantified by the Debtors.

8. Based upon the Debtors’ Motion, coupled with my independent research and calculations, I believe the Wildfire Assistance Fund is underfunded. Further, the Debtors risk not being able to accommodate all of the victims with an appropriate distribution and / or could force the administrator to turn away thousands of victims while leaving thousands of others with only a short lifeline before additional emergency assistance is needed.

9. Based upon my team’s calculations, to fund a Wildfire Assistance Program that accommodates all of the Alternative Living Expenses and other immediate needs for the victims, the amount of the necessary funding would need to exceed \$480 million based upon the Debtors’ past practices (Exhibit A).

10. My team also ran an alternative scenario (Exhibit B), which estimated the monthly hardship living expenses for the victims. This scenario estimated the necessary funding at approximately \$313 million.

11. The necessary funding estimates are based upon publicly available claimant, homeowner, and insurance statistics. Lincoln’s analysis considered the following data:

- 1 a. **Households Claim Pool:** The victims include individuals who lost their homes
2 in the 2017 North Bay Fires and the 2018 Camp Fire. Information provided by
3 Cal Fire (JP Morgan Report)² and the Debtors³ was used to determine the total
4 number of residential households lost that could be eligible for assistance under
5 the Wildfire Assistance Program. Cal Fire (JP Morgan Report) indicated total
6 residential households lost in the North Bay Fires were 6,393 while the Debtors'
7 Wildfire Assistance Program Motion reported that 13,972 households were lost
8 in the 2018 Camp Fire, or 20,365 residences lost in total.
- 9 b. **Homeowner vs. Renter Pool:** The lost homes included both homeowners and
10 renters, which would be covered under the Wildfire Assistance Program.
11 However, as demonstrated in the 2015 Butte Fire Program, homeowners and
12 renters would likely experience different levels of losses, insurance coverage,
13 and requirements under Alternative Living Expenses. As such, 2018 Census data
14 from Butte County⁴ and Sonoma County⁵ were utilized to determine the
15 percentage of owner-occupied homes, which indicated 59.0% and 60.3%
16 respectively.
- 17 c. **Homeowners vs Renters Claimants:** The Census and CAL fire data was used
18 to determine the number of lost households for renters and homeowners, which
19 estimated lost households of 12,098 for homeowners and 8,267 for renters, or
20 20,365 in total.
- 21 d. **Uninsured Claimants Pool:** The Wildfire Assistance Program was established
22 to aid victims who are either uninsured or underinsured by their existing
23 insurance policies. To determine the number of uninsured households, a 2017
24 survey from United Policyholders⁶ was used, which indicated 4.2% of
25 households in California were uninsured. Additionally, a 2014 press release

26 ² JP Morgan Report: "PG&E Corp: Looking for a Grand Bargain in Bankruptcy", dated January 18, 2019

27 ³ Debtors' Wildfire Assistance Program Motion (Dkt. No. 1777)

28 ⁴ <https://www.census.gov/quickfacts/buttecountycalifornia>

⁵ <https://www.census.gov/quickfacts/sonomacountycalifornia>

⁶ <http://www.uphelp.org/sites/default/files/blog/2017hosurveyca.pdf>

1 from the Insurance Information Institute⁷ indicated 63% of renters were
2 uninsured. Both estimates are likely conservative given the higher cost of
3 insurance policies in areas that are prone for natural disasters, such as wildfires
4 in Northern California.

5 e. **Uninsured Homeowners and Renters Claimants:** By utilizing the publicly
6 available uninsured households data, Lincoln estimated that 507 homeowners
7 and 5,208 renters were uninsured.

8 f. **Underinsured Claimants Pool:** To determine the number of underinsured
9 households, Lincoln used a United Policyholders survey from the 2017 North
10 Bay fires⁸, which indicated that “66% of survey respondents who know if they
11 have enough insurance to cover the cost of repairing, replacing or rebuilding
12 their home, reported being underinsured.” These underinsured survey results
13 have been cited in many publications and even referenced at a state legislative
14 committee hearing⁹. In fact, these estimates are low as compared to a number of
15 TCC claimants that were polled.

16 g. **Underinsured Claimants:** As a result, Lincoln estimated that 7,650
17 homeowners and 2,019 renters were underinsured.

18 h. **Total Pool of Eligible Wildfire Claimants:** In total, Lincoln estimated that
19 15,384 households would be eligible to receive assistance under the Wildfire
20 Assistance Program (8,157 homeowners and 7,227 renters).

21 i. **Wildfire Assistance Program Funding:** To determine the total Wildfire
22 Assistance Program funding required, Lincoln utilized two scenarios to estimate
23 the funding per eligible household:

24 i. **Scenario 1 (Exhibit A):** Lincoln utilized the Debtors’ prior practices
25 during the 2015 Butte Fire Program of \$50,000 for homeowners and
26 \$10,000 for renters. These values indicated necessary funding of \$480

27 ⁷ <https://www.iii.org/press-release/number-of-renters-is-on-the-rise-but-few-of-them-have-insurance-092214>.

28 ⁸ https://www.uphelp.org/sites/default/files/attachments/north_bay_fires_12_month_survey_report_v1.pdf.

⁹ <http://www.ktvu.com/news/joint-hearing-addresses-insurance-concerns-from-north-bay-fire-victims>.

1 million or \$31,210 per household. Detailed calculations are provided in
2 Exhibit A.

3 **ii. Scenario 2 (Exhibit B):** Lincoln estimated the monthly living expenses
4 for the victims by utilizing the U.S. General Service Administration
5 (“GSA”) 2019 per diem rates for lodging and meals in Sacramento and
6 the broader California market. Lincoln also considered publicly available
7 apartment and housing rental rates in the Chico, California area. The
8 monthly GSA and rental costs were averaged and multiplied by six
9 months, which indicated approximately \$29,500 of funding per
10 household. These estimates were only used for the homeowners, while
11 the renter funding remained at \$10,000 per household. These values
12 indicated necessary funding of \$313 million or \$20,340 per household.
13 Detailed calculations are provided in Exhibit B.

14 12. As established by the analysis above, the minimum amount of funding to achieve
15 the Program Objectives is at least \$250 million (implying, on average, only ~\$16,250 per
16 household) provided that the amount is subject to incremental replenishment.

17
18 I declare under penalty of perjury under the laws of the United States of America that the foregoing
19 is true and correct. Executed on May 15, 2019.

20
21 

22 Brent C. Williams

Exhibit A

	Household Breakout ^{(a),(b)}	Lost Households ^{(c),(d)}	Uninsured ^{(e),(f)}		Insured	Underinsured ^(g)		Total Uninsured & Underinsured		Cash For Assistance ^(h)	Total Assisted
			%	Households	Households	%	Households	Total	% of Lost Total		Funds
2017 Fires											
Homeowners	60.3%	3,855	4.2%	162	3,693	66.0%	2,438	2,599	67.4%	\$ 50,000	\$ 129,960,209
Renters	39.7%	2,538	63.0%	1,599	939	66.0%	620	2,219	87.4%	10,000	22,187,380
Total	100.0%	6,393	27.5%	1,760	4,633	66.0%	3,057	4,818	75.4%	31,579	152,147,588
2018 Camp Fire											
Homeowners	59.0%	8,243	4.2%	345	7,898	66.0%	5,213	5,558	67.4%	50,000	277,906,671
Renters	41.0%	5,729	63.0%	3,609	2,120	66.0%	1,399	5,008	87.4%	10,000	50,078,722
Total	100.0%	13,972	28.3%	3,954	10,018	66.0%	6,612	10,566	75.6%	31,042	327,985,393
Total											
Homeowners	59.4%	12,098	4.2%	507	11,592	66.0%	7,650	8,157	67.4%	50,000	407,866,879
Renters	40.6%	8,267	63.0%	5,208	3,059	66.0%	2,019	7,227	87.4%	10,000	72,266,101
Total	100.0%	20,365	28.1%	5,715	14,650	66.0%	9,669	15,384	75.5%	\$ 31,210	\$ 480,132,981

- a. Owner-occupied households for the 2017 Fires based on U.S. Census Bureau QuickFacts: Sonoma County, California V2018
b. Owner-occupied households for the 2018 Camp Fire based on U.S. Census Bureau QuickFacts: Butte County, California V2018
c. Total lost households for the 2017 Fires based on JP Morgan Report: "PG&E Corp. Looking for a Grand Bargain in Bankruptcy" January 18, 2019
d. Total lost households for the 2018 Camp Fire based on the Debtors' Wildfire Assistance Program Motion (Dkt. No. 1777)
e. Uninsured homeowners based on United Policyholders 2017 California Home Insurance Survey
f. Uninsured renters based on Insurance Information Institute press release September 22, 2014 "Number of Renters is on the Rise - But Few of Them Have Insurance"
g. Underinsured homeowners and renters based on United Policyholders 2017 North Bay Fires - 12 Month Survey
h. Cash for Assistance based on the 2015 Butte Fire PG&E assistance offer to homeowners and renters provided by the Debtors

Exhibit B

	Household Breakout ^{(a),(b)}	Lost Households ^{(c),(d)}	Uninsured ^{(e),(f)}		Insured Households	Underinsured ^(g)		Total Uninsured & Underinsured		Cash For Assistance ^(h)	Total Assisted Funds
			%	Households		%	Households	Total	% of Lost Total		
2017 Fires											
Homeowners	60.3%	3,855	4.2%	162	3,693	66.0%	2,438	2,599	67.4%	\$ 29,500	\$ 76,676,523
Renters	39.7%	2,538	63.0%	1,599	939	66.0%	620	2,219	87.4%	10,000	22,187,380
Total	100.0%	6,393	27.5%	1,760	4,633	66.0%	3,057	4,818	75.4%	20,520	98,863,903
2018 Camp Fire											
Homeowners	59.0%	8,243	4.2%	345	7,898	66.0%	5,213	5,558	67.4%	29,500	163,964,936
Renters	41.0%	5,729	63.0%	3,609	2,120	66.0%	1,399	5,008	87.4%	10,000	50,078,722
Total	100.0%	13,972	28.3%	3,954	10,018	66.0%	6,612	10,566	75.6%	20,258	214,043,658
Total											
Homeowners	59.4%	12,098	4.2%	507	11,592	66.0%	7,650	8,157	67.4%	29,500	240,641,459
Renters	40.6%	8,267	63.0%	5,208	3,059	66.0%	2,019	7,227	87.4%	10,000	72,266,101
Total	100.0%	20,365	28.1%	5,715	14,650	66.0%	9,669	15,384	75.5%	\$ 20,340	\$ 312,907,560

a. Owner-occupied households for the 2017 Fires based on U.S. Census Bureau QuickFacts: Sonoma County, California V2018

b. Owner-occupied households for the 2018 Camp Fire based on U.S. Census Bureau QuickFacts: Butte County, California V2018

c. Total lost households for the 2017 Fires based on JP Morgan Report: "PG&E Corp. Looking for a Grand Bargain in Bankruptcy" January 18, 2019

d. Total lost households for the 2018 Camp Fire based on the Debtors' Wildfire Assistance Program Motion (Dkt. No. 1777)

e. Uninsured homeowners based on United Policyholders 2017 California Home Insurance Survey

f. Uninsured renters based on Insurance Information Institute press release September 22, 2014 "Number of Renters is on the Rise - But Few of Them Have Insurance"

g. Underinsured homeowners and renters based on United Policyholders 2017 North Bay Fires - 12 Month Survey

h. Cash for Assistance based on the local and state 2019 US GSA per diem rates in California for lodging and meals as well as publicly available home/apartment rental data for Chico, CA

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Exhibit C

TCC Information Request:

Wildfire Assistance Program Motion
Responses to Request Dated 5.6.19

TCC Information Request Wildfire Assistance Program Motion Responses to Request dated 5.6.19

PCG SECURE DATA ROOM
UNAUTHORIZED USE
Naeem Muscatella
Lincoln International
May 10, 2019 12:36



TCC Information Request - Wildfire Assistance Program Motion: Request as of 5.6.19

Request #	Diligence Request	Response
1	How was the \$105 million quantified and ultimately determined for the Wildfire Assistance Fund ("Fund") (including any / all analysis)?	Redacted
2	Provide number of household(s) and individual victim(s) (for each of the 2017 and 2018 wildfires) that are estimated to be covered under the Fund	Redacted
3	What is the projected payout by household and/or by victim? Has the Debtor estimated or forecasted a minimum payout (by individual)?	Redacted
4	How does this Fund compare to prior hardship funds, such as the 2015 Butte Fire, in terms of payout(s) by household or by claimant?	Redacted
		Redacted



TCC Information Request - Wildfire Assistance Program Motion: Request as of 5.6.19

Request #	Diligence Request	Response
5	How was the eligibility criteria determined for the 2015 fund? Were there minimum payout(s) assumed in structuring the fund?	Redacted
6	What was the total dollar amount that the Debtor's funded for the 2015 Butte Fire hardship fund? Please detail by: (1) Renters versus households, (2) Total number of renters and total number of households and (3) Total amount paid to each. Please provide detail(s) of the total funds paid.	Redacted
7	What percentage of the total structures/residences destroyed in the 2015 Butte Fires received hardship funds?	Redacted
8	Does the Debtor anticipate payout(s) before the proposed Bar Date?	Redacted
9	What section of the DIP credit agreement and what line item of the DIP Budget do the Debtors' contend the \$105 million funding complies with (confirm: operations and maintenance)? Did the DIP Lenders consent to the \$105 million funding? What consent rights do they have for a Motion like this?	Redacted
10	Notwithstanding what is in the Motion, what is the anticipated timeline of payout(s) under the Fund?	Redacted



TCC Information Request - Wildfire Assistance Program Motion: Request as of 5.6.19

Request #	Diligence Request	Response
11	Will the Debtor recommend individual(s) for the Administrator position?	Redacted
12	Will the Debtor have unfettered access to the materials / discussions / claims that the Administrator will have regarding the individual victims?	Redacted
13	What will the Debtor's involvement be on a day-to-day basis with the Administrator?	Redacted